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PERSPECTIVES

ON LABOUR AND INCOME

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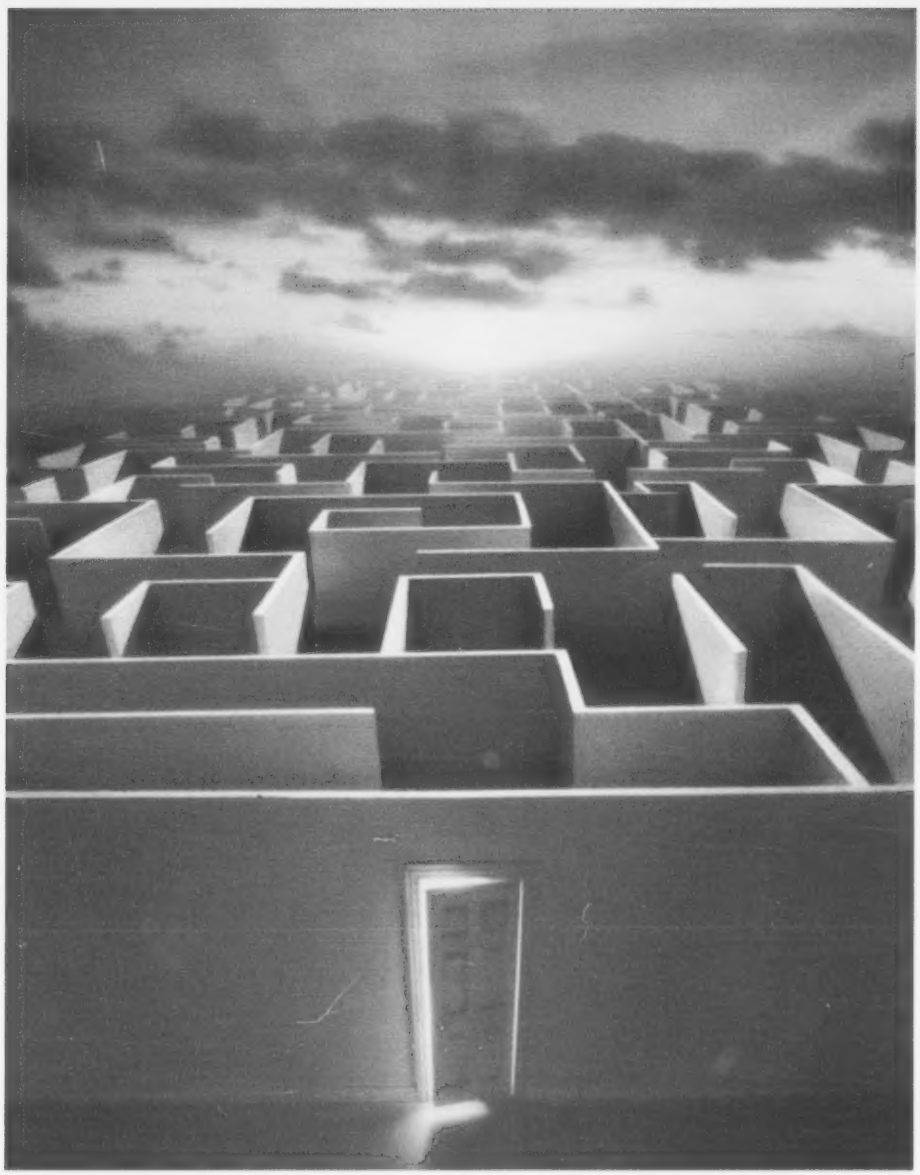
- SEASONAL WORK AND EMPLOYMENT INSURANCE USE
- FACT-SHEET ON RETIREMENT



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p preliminary
r revised
x confidential
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F too unreliable to be published

Highlights

In this issue

Seasonal work and Employment Insurance use

- Using a 'mechanical' definition of seasonal work, 4.4% of employees and self-employed fishers were seasonal workers over the 1993-1998 period.
- More than one-sixth (17.3%) of long-term seasonal workers did not receive EI benefits following any of three seasonal job spells. In total, about 61% of seasonal jobs were followed by EI.
- Long-term seasonal workers were more likely to be older, male, less educated, living in regions with high unemployment rates, living with a partner, and living in the Atlantic provinces or Quebec.

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Seasonal work and Employment Insurance use

Shawn de Raaf, Costa Kapsalis, and Carole Vincent

SEASONAL WORK has long been an important aspect of the Canadian labour market. With a large resource sector and one of the most varied climates in the world, Canada naturally exhibits large seasonal fluctuations in output and employment. In recent decades, however, the importance of seasonal work has gradually diminished as industries have modernized and diversified. The average monthly swings in employment due to seasonality declined during the 1976-1997 period (Marshall 1999; Guillemette, L'Italien and Grey 2000).[1] Two principal trends have contributed to this reduction: a technology-driven decrease in seasonality within traditionally seasonal industries, and an overall drop in the employment share of these industries as a result of more demand for services and less demand for manufactured goods.

However, seasonal jobs continue to account for a large share of employment in some regions. The Atlantic region in particular remains well above average, mainly because of its highly seasonal industries. Moreover, Canada has more seasonal workers relative to other countries with a similar climate. Among the Nordic countries (Finland, Sweden, Denmark, Iceland, and Norway), where similar seasonal employment trends would be expected, only Finland exhibited greater seasonal fluctuations in employment over the 1994-1998 period than Canada (Grady and Kapsalis forthcoming).

While seasonal work may be preferable for some, such as students, it may not be the optimal pattern for many workers who from year to year face various barriers to secure, year-round employment. Since their financial resources may be uncertain for large parts of the year, many seasonal workers rely on Employment Insurance (EI) to stabilize their income in the off-season. However, not all workers resort to EI following their layoff, either by choice or because their seasonal employment does not provide them with enough hours of work to qualify.

This article addresses disparities in the measurement of seasonality by proposing definitions that distinguish between seasonal workers and seasonal jobs. Using longitudinal data from the Survey of Labour and Income Dynamics (SLID) for 1993 to 1998, the many dimensions of seasonality are examined to determine the extent to which each contributes to frequent reliance on EI benefits. The article also looks at which characteristics distinguish seasonal workers who frequently rely on EI benefits from those who claim infrequently or not at all. Over the 1993-1998 period, a majority of seasonal workers regularly relied on EI following a seasonal job spell, but almost one-fifth did

Data source

Introduced in 1993, the **Survey of Labour and Income Dynamics** (SLID) is well suited to the study of recurrent or long-term seasonal workers since it is designed to track the economic well-being of respondents over time. SLID samples working-age individuals who do not live on reserves or in institutions and who are not serving in the Canadian Forces. Individuals are interviewed over six years, with a new panel of respondents selected every three years. Each panel contains about 15,000 households representing about 30,000 individuals aged 16 and older.

Information is collected in two annual interviews: labour in January and income in May. The labour interview collects such information as the person's employment during the past year, household composition, and educational activity. The income interview collects information on an individual's income and its sources during the previous year. This interview is not necessary if the respondent gives Statistics Canada permission to use tax records. As a result, most respondents do not have to complete the income interview.

Adapted from Seasonal employment and reliance on Employment Insurance: evidence from the SLID, *published by the Social Research and Demonstration Corporation (SRDC), June 2003. Shawn de Raaf and Carole Vincent are with SRDC. Costa Kapsalis is with Data Probe Economic Consulting Inc. The authors can be reached at (613) 951-1628 or perspectives@statcan.ca.*

Table 1: Alternative Measures of Seasonality

Measure	Data source	Highlights
Seasonal employment	Labour Force Survey, 2000	5.1% of all employees reported having a non-permanent, seasonal job. • 14.6% among those under 25 • 2.8% among those 25 and older
	New Brunswick Seasonal Workers Survey, 1996 (L'Italien, Le Breton and Grignon 1999)	20.1% of employees and the self-employed in New Brunswick reported having a seasonal job. • 23.3% among men • 16.3% among women
	Survey on Repeat Use of Employment Insurance, 1997 (Schwartz et al. 2001)	57.3% of 1996 EI claimants who were working in 1997 reported having a seasonal job in that year. • 61.6% among male frequent EI claimants • 49.9% among female frequent EI claimants • 27.6% among male occasional EI claimants • 20.1% among female occasional EI claimants
Seasonal unemployment	Canadian Out of Employment Survey, 1995 to 1997 (HRDC 2001)	15.5% of all workers who experienced a job separation reported that the separation was due to seasonal factors. • 73.0% expected to return to their employer (compared with 47.1% of workers reporting their separation not due to seasonal factors). • 52.9% claimed EI (the same proportion as workers who reported their separation not due to seasonal factors).
	Employment Insurance Coverage Survey, 1997 to 1999	18.3% of unemployed reported their last job was seasonal. • 21.6% among those under 25 • 17.3% among those 25 and older • 60.8% of unemployed seasonal workers received EI benefits (compared with 53.2% of the unemployed who reported that their last job was not seasonal).
Seasonal reliance on EI benefits	Employment Insurance Coverage Survey, 1997 to 1999	20.5% of EI beneficiaries reported that their last job was seasonal. • 25.1% among those under 25 • 19.9% among those 25 and older
	HRDC (2003)	26.7% of all EI claims were made by claimants with seasonal claim patterns. • 79.0% among frequent EI claims
	Survey on Repeat Use of Employment Insurance and EI Administrative Data, 1996 (Gray and Sweetman 2001)	Approximately 15% of 1996 EI claimants had seasonal claim patterns over a six-year period from 1992 to 1997.

not claim at all. Also pointed out is the significant variation in the characteristics of seasonal workers according to their reliance on EI.

Using SLID to measure long-term seasonality

Measuring seasonality on an individual basis is challenging since seasonal jobs account for only a small fraction of the millions of hirings and separations that give rise to seasonal employment patterns. It is easier to classify a job rather than a worker as seasonal. By definition, seasonal jobs provide temporary work that is expected to last only until the end of a 'season'—the period for which services are in demand. In contrast, seasonal workers are individuals who face annual spells of unemployment because of regular fluctuations in demand for their particular set of skills and experience. They may work one or more jobs, not all necessarily considered seasonal, in such a way that their annual employment displays a seasonal pattern.

A variety of measures have been used to identify the extent of seasonal work. While some give an indication of the incidence of EI use among seasonal workers or the seasonality of frequent claimants' EI patterns (Table 1), they do not directly measure the relationship between seasonal work and frequent EI use. Such analysis requires a longitudinal source, such as SLID, which captures both work and EI use patterns over time.[2]

Self-identification raises concerns about the accuracy of respondent perceptions of the seasonal nature of their work. For instance, respondents may incorrectly identify their jobs as seasonal if they work in seasonal employment but the job does not end for seasonal reasons. Or, they may simply not be aware the job ended for seasonal reasons and therefore incorrectly indicate other reasons. As well, a seasonal worker may work a variety of temporary jobs, not all of which end for seasonal reasons.

SLID provides an opportunity to move beyond self-identification and to classify seasonal workers according to employment patterns over several years. By comparing job separations and work absences from year to year, it is possible to identify long-term seasonal workers and then link their seasonal employment patterns to any EI claims.

Long-term seasonal workers are defined as persons aged 18 to 59 in 1993 who were not full-time students at any point during the 1993-1998 period[3] and who had at least three paid-job (or self-employed in fishing) spells ending within the same three-month 'off-season' over the five-year period 1993-1997 or 1994-1998. Jobs could not last more than nine months. With this 'mechanical' definition of seasonal work, 4.4% of all employees and self-employed fishers were seasonal workers over the six-year period.

Comparing measures of long-term seasonal workers

The mechanical definition can be compared with the two common definitions of seasonal work: the self-reported definition, which estimates the number of workers who report they experienced a job loss or absence from work for seasonal reasons, and the industry-based definition, which estimates the number of workers in traditionally seasonal industries. Under the self-reported definition, 2.6% of employees and self-employed fishers reported seasonal reasons for their job spell ending in 1998 (Table 2). Under the industry-based definition, the figure was 2.1%.

Table 2: Seasonal work among 1998 employees and self-employed fishers

Definition	In 1998	1994-1998
	%	
At least one definition	...	2.6
Mechanical	...	2.2
Self-reported	2.6	1.0
Industry-based	2.1	0.9

Source: Survey of Labour and Income Dynamics, 1994-1998

For consistency with the mechanical definition, these job spells could not have lasted more than nine months. A comparison of these two definitions with the mechanical definition also requires that these workers had a seasonal job spell in at least two of the previous four years (1994 to 1997). The addition of this long-term dimension reduced the incidence of seasonal work from 2.6% to 1.0% under the self-reported definition and from 2.1% to 0.9% under the industry-based definition. The mechanical definition identified the highest percentage of workers in 1998 as seasonal. Overall, 2.6% of employees and self-employed fishers met at least one of the definitions. These estimates are low, likely because seasonal workers needed to have had at least two seasonal jobs spells between 1992 and 1997 in addition to their spell in 1998.

The mechanical definition identified the largest pool of seasonal workers (Table 3). It accounted for 85.0% of workers with a job spell that ended in 1998 who satisfied at least one of the three definitions of long-term seasonal workers (2.2 of the 2.6% of employees and self-employed fishers). The self-reported definition provided the next largest estimate, 38.5% of long-term seasonal workers (1.0 of 2.6%), followed by the industry-based definition. Moreover, a significant proportion (41.6%) of seasonal workers satisfied the mechanical definition alone. Self-identification or the industry-based definition failed to capture two-fifths of potential seasonal workers. On the other hand, the mechanical definition excluded 15% of workers who satisfied one of the other definitions. On balance, the mechanical definition of seasonal work appears to be

Table 3: Overlap between definitions of long-term seasonal workers

	Proportion
	%
At least one definition	100.0
Mechanical	85.0
Self-reported	38.5
Industry-based definition	34.1
Mechanical definition	41.6
• and the self-reporting definition	18.3
• and the industry definition	12.6
• and both other definitions	12.5

Source: Survey of Labour and Income Dynamics, 1994-1998
Note: Long-term seasonal workers are workers who experienced a job loss in at least three of the five years, one being in 1998.

the best in identifying the commonalities shared by workers who face regular seasonal layoffs and must rely on EI benefits, regardless of their industry or perception of the nature of their work.

The link to EI benefits

To determine the relationship between seasonal work interruptions and reliance on EI, SLID respondents were classified as seasonal workers if they had three unemployment spells occurring in the same 'off-season' in either the 1993-1997 or the 1994-1998 period. A job spell was associated with an EI spell if the individual received EI benefits within three months following the end of the job spell (Table 4).[4]

Table 4: Use of Employment Insurance by long-term seasonal workers

	Workers	Jobs leading to EI
	%	
Total	**100.0**	**60.9**
Seasonal job spells leading to EI		
None	17.3	0.0
One	20.2	6.7
Two	24.9	16.6
Three	37.6	37.6

Source: Survey of Labour and Income Dynamics, 1993-1998
Note: Long-term seasonal workers are workers who experienced a job loss in at least three years during the periods 1993-1997 or 1994-1998.

More than one-sixth (17.3%) of long-term seasonal workers did not receive EI benefits following any of their three seasonal job spells. In total, about 61% of seasonal jobs were followed by EI. (The EI Coverage Survey found EI use to be 61% among workers who identified their last job as seasonal.)

The finding that three-fifths of seasonal job spells led to EI receipt indicates that long-term seasonal workers face significant barriers in finding a new job. Long-term seasonal workers were more likely to be older, male, less educated, living in regions with high unemployment rates, living with a partner, and living in the Atlantic provinces or Quebec (Table 5).

Workers who never received EI or received EI only once were nearly evenly divided between men and women, but men accounted for over two-thirds of those claiming two or three times. Seasonal workers relying most frequently on EI tended to be older than other EI users. Among workers who received EI following each seasonal job spell, the proportion 40 and older was nearly double that of those who never claimed or claimed only once (39.3% versus 21.2%). The majority of long-term seasonal workers had not graduated from postsecondary education—less than one-third had postsecondary credentials, compared with 45.2% of workers who never relied on EI.

The use of EI is related to local job opportunities for seasonal workers as well as regional eligibility rules. The EI program has variable entry requirements that fluctuate according to local labour market conditions. A worker living in a region with a lower unemployment rate will not only need more hours of work to qualify for EI, but will also receive fewer weeks of benefits for a given amount of work than someone in a high unemployment region. Nearly half of seasonal workers who never claimed EI lived in low unemployment regions, while over two-thirds with three years of receipt lived in regions with unemployment rates of over 9%.

Long-term seasonal workers who relied most intensively on EI were more likely to live in Atlantic Canada and Quebec, where unemployment rates tend to be higher and seasonal work is more integral to the economy. The majority of workers who claimed EI in only one or two years lived in Ontario or the Western provinces. Although these provinces had a significant population of seasonal workers, because of either stricter regional eligibility requirements or a greater availability of off-season work, the end of a seasonal job did not necessarily lead to an EI claim.

Table 5: Characteristics of long-term seasonal workers

	Seasonal job spells leading to EI				Proportion of seasonal workers
	None	One	Two	Three	
	%				
All	**17.3**	**20.2**	**24.9**	**37.6**	**100.0**
Age					
Under 30	45.4	48.9	36.8	27.1	37.1
30 to 39	33.5	30.3	31.3	33.6	32.3
40 and older	21.2	20.8	31.9	39.3	30.6
Sex					
Men	50.8	53.3	68.4	72.0	63.7
Women	49.2	46.7	31.6	28.0	36.3
Education					
High school or less	54.8	53.5	55.7	67.9	59.8
More than high school	45.2	46.5	44.3	32.1	40.2
Regional unemployment					
7% or less	49.3	42.5	24.5	14.9	28.8
Over 7% to 9%	17.0	27.2	21.9	17.0	20.3
Over 9%	33.7	30.2	53.6	68.1	50.9
Marital status					
Without partner	40.0	33.4	31.3	23.8	30.4
With partner	60.0	66.6	68.7	76.2	69.6
Region					
Atlantic and Quebec	28.4	25.2	44.8	70.2	47.6
Ontario and West	71.6	74.8	55.2	29.8	52.4
Family income					
Under $35,000	32.4	26.6	42.7	35.0	34.8
$35,000-59,999	40.6	33.6	34.1	41.4	37.9
$60,000 or over	27.0	39.8	23.3	23.6	27.4

Source: Survey of Labour and Income Dynamics, 1993-1998.
Note: Long-term seasonal workers are workers who experienced a job loss in at least three years during the periods 1993-1997 or 1994-1998.

The family circumstances of long-term seasonal workers varied somewhat according to EI use. While the majority of seasonal workers lived with a partner, this share became even larger as reliance on EI increased. However, this does not mean that seasonal workers claiming EI more frequently were better off financially. Although the distribution of family income varied only slightly among the four types of EI claimants, seasonal workers with one or no claims were more likely to be in the highest ($60,000 plus) category, even though they were less likely to be living in a household with another potential adult earner. Workers with two or three claims were more likely to be in the lowest income category (under $35,000).

Workers who claimed EI after only one of their three seasonal job spells appeared to experience less financial hardship than other seasonal workers—even those who never claimed EI at all. They were much more likely to be living in households with higher family incomes. This may reflect their personal circumstances, since they tended to have the highest educational attainment and were least likely to be living in high unemployment regions. These seasonal workers appeared to have greater flexibility in their decision to claim EI, likely because better work opportunities were available to them.

Long-term seasonal workers can be found across Canada, in regions with a diversity of economic conditions. The large percentage of seasonal workers living in regions with relatively low levels of unemployment belies the stereotype of seasonal EI claimants: persons living in regions with poor economic conditions and heavily dependent on traditionally seasonal industries. Nevertheless, seasonal workers relying more frequently on EI tended to live in regions with fewer employment opportunities.

A seasonal worker's economic circumstances and personal characteristics appear to be key factors in determining the degree of reliance on EI (Table 6). Individuals who did not receive EI following any of their three seasonal jobs had the highest incidence of potential non-eligibility for benefits because of insufficient hours of work. The incidence of multiple jobholding before the work interruption was also highest among these individuals. Consistent with the higher incidence of multiple jobholding, workers who never claimed EI had the highest incidence of part-time re-employment. However, their incidence of full-time re-employment was the lowest; they were employed full time within three months following 50% of their work interruptions, roughly 10 percentage points lower than those with one or two seasonal spells leading to EI.

Table 6: Alternatives to EI among long-term seasonal workers

	Job spells leading to EI			Job spells not leading to EI
	None	One	Two	
		%		
All	**42.0**	**35.3**	**22.7**	**100.0**
Lower attachment to the labour market				
During the 12 months preceding seasonal work interruption, individual had fewer hours of paid work than the minimum required in EI region	27.1	15.2	18.9	21.0
Multiple jobholding				
Multiple jobholder in month before work interruption	35.5	28.1	18.1	29.0
Re-employment within 3 months				
Part time	25.0	21.5	9.3	20.2
Full time	49.6	61.8	61.1	56.5

Source: Survey of Labour and Income Dynamics, 1993-1998
Note: Long-term seasonal workers experienced a job loss in at least three years during the periods 1993-1997 or 1994-1998.

Conclusion

Seasonal workers continue to be a large and growing proportion of EI beneficiaries. Despite a general decrease in the proportion of frequent claimants from 1999-2000 to 2000-2001, frequent seasonal claims declined by only 3.7% compared with a 5.6% drop for frequent non-seasonal claims. The relative stability of seasonal claims is "not surprising, as the nature of some seasonal work does not necessarily lead to a decline in claims in periods of strong economic growth" (HRDC 2002).

One reason for the growing proportion of seasonal workers among EI claimants may be that the 1996 change from a weeks-based to an hours-based system for determining eligibility has had a positive effect on their EI eligibility and entitlement. The switch was made in part to address concerns that a large and growing proportion of workers were not eligible for EI benefits should they become unemployed. However, it also meant that weeks worked by seasonal workers—who tend to work more hours per week—would now be insured to a greater extent, allowing many to qualify sooner for benefits. Indeed, the reforms resulted in a marginal increase in eligibility and an increase of 1.6 weeks of entitlement among seasonal claimants (HRDC 2001).

However, not all seasonal workers were positively affected. Seasonal claimants with less than 30 hours of work per week lost significantly in terms of EI eligibility compared with other claimants (HRDC 2001). (They were 21 percentage points less likely to qualify for EI, and those who did qualify received 2.6 weeks less of entitlement.)

Despite the large contribution of seasonal work to EI dependency, not all seasonal workers are frequent EI claimants. While a majority do rely on EI on a regular basis, a significant proportion do not claim at all. They are not necessarily able to avoid relying on EI by doing better in the labour market. They are younger and more likely to live in regions with relatively good employment opportunities; however, at the same time they are more likely to have a lower attachment to the labour market or to be in a precarious employment situation—combining multiple, possibly part-time jobs to provide year-round employment. Conversely, seasonal workers who rely the most on EI face significant barriers to securing non-seasonal employment. They are older, less educated, and live in regions with the poorest employment opportunities.

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Notes

1 HRDC (2001) provides a more recent analysis of seasonality. However, this analysis looks at the extent of seasonal work among those who experienced a job separation using the Canadian Out-of-Employment Panel. It is thus an analysis of seasonality among unemployed as opposed to employed workers.

2 Although SLID includes 'seasonal nature of work' as a reason for losing a job, this information is not the focus of this study. SLID releases from 1993 to 1998 did not include the seasonal nature of respondent employment, but future releases will.

3 The maximum age in 1993 was 59, so all workers in this study are under 65 throughout the period of analysis.

Although SLID interviews those who are 16 and older, this sample excludes those under 18 since they are unlikely to be significant labour market participants.

4 Respondents are classified as seasonal workers if they had three unemployment spells occurring in the same 'season' in one of two five-year periods—January 1993 to December 1997 or January 1994 to September 1998. The monthly EI information, captured in the January labour interview, is based on the respondent's recollection of EI receipt during the past year. In approximately 10% of cases, this information is missing. In these cases, information collected in the income interview (derived from respondents' income tax records in the majority of cases) is used. Where annual information indicates receipt of EI during a given year while monthly variables do not, the respondent is considered to have collected EI in the same year if the job ended by September 30 and EI was received in the same year. If the job ended after September 30, EI receipt is then looked for in the following year.

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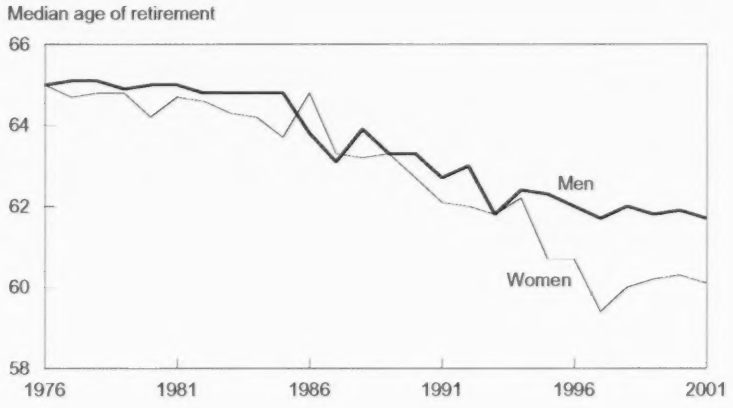
PERSPECTIVES
ON LABOUR AND INCOME

Fact-sheet on retirement

The age of retirement has stabilized in recent years

Over the past couple of decades, the age of retirement has changed dramatically.[1] The median age was close to 65 in the late 1970s and early 1980s. Starting in the mid-1980s, it declined considerably.

Between 1986 and 1993, the median retirement age declined more or less steadily. The sharp drop between 1986 and 1987 is likely explained by the lowering in 1987 of the minimum age at which one could draw benefits from the Canada Pension Plan—from 65 to 60. In 1988, retirement age increased, probably because most people wishing to take advantage of this early retirement option had done so the previous year. After 1988, however, the trend toward earlier retirement resumed until 1994, when retirement age increased slightly and then declined until 1997. After 1997, it increased again and then stabilized.



Source: Labour Force Survey

The retirement age fluctuations in the 1990s may reflect government cutbacks and corporate downsizing. The popularity of early retirement incentives as a tool for workforce adjustment may also have influenced recent retirement behaviour.

Over most of the past two decades, women retired slightly earlier than men, with the two sexes following a similar trend. There were exceptions, however. In 1986, for example, women retired later than men. In 2001, the median age of retirement decreased slightly for both men and women.

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Distribution of ages at retirement

	1992 to 1996		1997 to 2001	
	'000	%	'000	%
Total	**605**	**100**	**706**	**100**
50 to 54	64	11	112	16
55 to 59	150	25	193	27
60 to 64	216	36	216	31
65 to 69	132	22	133	19
70+	42	7	52	7

Source: Labour Force Survey

This study looks at people who retired at any time during the five-year period at either end of the data series (1992 to 1996 and 1997 to 2001). Initially, the most popular age for retirement was between 60 and 64 (36% of retirees); at the end of the study period, it was still 60 to 64 but the number of retirees had decreased (31%).

The change is more noticeable, however, in the proportion of those retiring at younger and older ages. The percentage under age 55 increased, from 11% to 16%. The sample aged 55 to 59 increased from 25% to 27%. On the other hand, fewer people waited past age 65 (19% versus 22%).

Not everyone joined this trend, however. About one person in 14 retiring in the 1990s waited until age 70 or later.

Measuring retirement

The Labour Force Survey (LFS) was designed to measure labour force activity at a certain point in time: one reference week each month. To provide a meaningful series on retirement, each survey month is scanned and everyone who claims to have retired in the past year is recorded. The month of retirement is taken to be the same as the month last worked. A list of retirees is then organized according to the *month in which they retired*, rather than the month of the survey. Special adjustments to the sampling weights produce an unbiased estimate of retirees.

Since very few people under 50 report retirement as a reason for leaving their job, only those who retired at 50 or over are included here.

For all retired people (except a few 'permanently unable to work'), information is gathered on the last job—specifically, industry, occupation, length of tenure, and employment class (employee or self-employed).

The data refer to the last job, but some people's last job may not be indicative of their careers. These people may have switched jobs shortly before retirement. For this reason, those with brief job tenures are best considered a residual group—that is, representing people with a wide but unknown mix of work histories.

Respondents remain in the LFS sample for six consecutive months. For this study, however, only the response in the first month is used. This self-perceived retirement status is not updated thereafter, even though the respondent's situation may have changed after the first interview.

According to a preliminary study, a few retirees took jobs in the following five months. Many of these jobs were part-time, which may mean simply that the person had decided to fill in the time or to supplement a pension.

The majority of people over 50 who left the workforce gave reasons other than retirement for leaving the last job. The two most common ones were 'laid off' and 'sickness or disability'. A high percentage of this group re-entered the labour force within five months of the initial LFS interview. Many more likely found jobs later. In the context of the current exercise, those who remained out of the workforce would be missed from the analysis.

Median age at retirement, and length and sector of employment

Many factors influence the timing of retirement. Among the most important are the type of last job and length of tenure.[2]

For workers overall, the median age of retirement declined from 62.0 to 60.8 over the study period. People employed in the public sector (which includes education, health and social services, and government), already the youngest to retire from 1992 to 1996, saw the greatest decline in median age (2.1 years, from 59.7 to 57.6). Employees in the private sector retired an average three and a half years later than public sector workers at the beginning of the period, a gap that increased to over four years between 1997 and 2001 (61.7 versus 57.6).

Self-employed people, whose median age of retirement remained steady over the study period (65.0), retired later than employees. Industry accounts for much of the age difference between self-employed and employees.

How long one worked in a job prior to retirement seems to have a strong correlation with retirement age. This is not surprising. People who stay with one employer for a long time have an opportunity to build up substantial entitlements in a pension plan if one is available. Furthermore, employers offering good pension plans (for example, school boards, some large companies and governments) often provide longer tenure. As might be expected, early retirement is more prevalent in such workplaces. Employer pensions have also been linked with higher retirement incomes (Gower, 1995).

Between 1997 and 2001, workers with job tenure of 20 years or more retired almost three years earlier than those with under 20 years (59.9 versus 62.6). Among the self-employed, however, the opposite was true. On average, those with 20 years or more retired 2.8 years later (66.6 versus 63.8). This, combined with their slower rate of decline in median retirement age, suggests that self-employed workers reach the decision to retire in a very different manner.

		1992 to 1996		1997 to 2001	
		'000	Median age	'000	Median age
Job tenure	**Sector**				
Overall	**All retirees (aged 50+)***	605	62.0	706	60.8
	Public employees	213	59.7	244	57.6
	Private employees	301	63.2	334	61.7
	Self-employed	87	65.0	123	65.0
Less than 20 years	**All retirees (aged 50+)***	258	63.7	291	62.6
	Public employees	66	62.0	65	60.4
	Private employees	153	64.3	162	63.0
	Self-employed	38	64.3	63	63.8
20 years or more	**All retirees (aged 50+)***	345	60.7	411	59.9
	Public employees	147	58.8	178	56.9
	Private employees	148	61.8	172	60.4
	Self-employed	49	65.7	60	66.6

Source: Labour Force Survey
Note: Job tenure and sector refer to last job prior to retirement.
* *Because unpaid family workers are not accounted for in the sub-categories but are included in the totals, numbers do not add to totals.*

Distribution of retirees by month of departure, 1997 to 2001

	Both sexes		Men		Women	
	%	Median age	%	Median age	%	Median age
All months	**100.0**	**60.8**	**100.0**	**61.8**	**100.0**	**60.0**
January	7.7	60.8	8.0	60.7	7.2	60.8
February	5.0	61.3	4.9	60.6	5.1	62.2
March	6.3	60.3	6.5	61.4	6.0	59.0
April	7.1	61.3	7.3	61.8	6.7	60.3
May	7.2	60.6	7.4	60.7	6.9	60.4
June	17.2	58.4	14.3	59.8	21.2	57.4
July	9.2	60.3	8.9	61.3	9.6	59.6
August	6.6	60.9	7.2	61.9	5.8	59.2
September	8.4	62.8	8.4	64.6	8.3	61.2
October	7.7	63.0	8.5	63.3	6.6	62.1
November	6.0	62.1	6.4	63.2	5.4	61.2
December	11.7	61.0	12.1	62.6	11.1	60.0

Source: Labour Force Survey

Not surprisingly, people favoured some months over others to retire. Two months stand out: June and December, with the former more popular. People who retired during the summer tended to be slightly younger than those who did so in autumn or winter. Little has changed over the last two decades. The patterns for men and women are similar, though women were more likely to retire in June. This may relate to the number of women retiring from teaching.

Median age at retirement by industry, and change over time

Between 1997 and 2001, below average retirement ages were recorded in utilities; finance, insurance, real estate and leasing; educational services; health care and social assistance; information, culture and recreation; and public administration.

The greatest declines were found in industries with low retirement ages. In contrast, those recording relatively late retirement ages experienced the least decrease, except in trade industries.

Many factors are at play here. In particular, certain industries that were downsizing in the 1990s may have introduced early retirement programs (see *Appendix*).

	1992 to 1996	1997 to 2001	Change
	Median age		Years
Industry*	**62.0**	**60.8**	***-1.2***
Goods-producing	**63.0**	**62.2**	***-0.8***
Primary	64.9	65.2	*0.3*
Agriculture	66.7	68.6	*1.9*
Other	62.8	61.2	*-1.6*
Utilities	59.2	56.6	*-2.6*
Construction	64.7	63.7	*-1.0*
Manufacturing	61.9	61.4	*-0.5*
Service-producing	**61.7**	**60.3**	***-1.4***
Trade	64.3	62.6	*-1.7*
Transportation and warehousing	61.0	60.8	*-0.2*
Finance, insurance, real estate and leasing	62.3	60.0	*-2.3*
Professional, scientific and technical	64.8	64.6	*-0.2*
Management, administrative and other	65.4	64.6	*-0.8*
Educational services	60.3	57.1	*-3.2*
Health care and social assistance	61.4	60.3	*-1.1*
Information, culture and recreation	61.0	59.9	*-1.1*
Accommodation and food services	64.7	64.0	*-0.7*
Other services	64.8	63.6	*-1.2*
Public administration	59.3	58.2	*-1.1*

Source: Labour Force Survey
* *According to last job prior to retirement.*

Median age at retirement by sex and education, 1997 to 2001

	Both sexes		Men		Women	
	'000	Median age	'000	Median age	'000	Median age
Education	**706**	**60.8**	**412**	**61.8**	**294**	**60.0**
0-8 years	99	64.6	70	64.7	29	62.6
Some secondary	113	62.0	67	62.3	46	61.3
High-school graduate	120	60.1	62	60.2	58	60.0
Postsecondary	243	60.9	133	61.7	110	59.9
University degree	132	58.1	81	59.8	51	56.3

Source: Labour Force Survey

Men tended to retire slightly later than women (aged 61.8 versus 60.0). This difference held for people in most education groups except those with only a high-school diploma.

Changes in the LFS prevent a comparison of education groups over time but, in the 1990s at least, differences between those lacking high school graduation and those with higher education were much greater than differences between men and women. For example, people with a postsecondary certificate, diploma or degree retired more than three years earlier than those with eight years of schooling or less.

Median age at retirement by occupation, and change over time

All major occupation groups except occupations unique to primary industry showed declines in the median age of retirement.

In both periods, public sector occupations had the lowest retirement age.

Primary occupations had the highest age of retirement in both periods, and the gap widened in the later period.

	1992 to 1996	1997 to 2001	Change
	Median age		Years
All occupations*	**62.0**	**60.8**	**-1.2**
Management	61.2	60.0	-1.2
Business, finance and administrative	60.9	60.3	-0.6
Natural and applied sciences	60.6	60.1	-0.5
Health	61.7	60.3	-1.3
Social science, education, government service and religion	59.4	57.0	-2.4
Art, culture, recreation and sport	64.4	61.0	-3.4
Sales and service	63.3	61.8	-1.6
Trades, transport and equipement operators	63.0	62.4	-0.6
Occupations unique to primary	65.2	66.6	1.4
Occupations unique to processing, manufacturing and utilities	62.4	61.2	-1.2

Source: Labour Force Survey
* *According to last job prior to retirement.*

Median age at retirement by province

At the beginning of the study period, the gap between the highest median retirement age (64.7 in Saskatchewan and the lowest (60.2 in New Brunswick) was 4.5 years. In the 1997 to 2001 period, the gap widened to 6.0 years (64.6 in Saskatchewan and 58.6 in Newfoundland and Labrador).

While the majority of Canadians opted for earlier retirement, the drop in median age varied from only 0.1 year in Saskatchewan to 2.5 in Prince Edward Island. Only Alberta saw an increase in retirement age.

	1992 to 1996		1997 to 2001		Change
	'000	Median age	'000	Median age	Years
Canada	**605**	**62.0**	**706**	**60.8**	***-1.2***
Saskatchewan	22	64.7	25	64.6	*-0.1*
Alberta	49	62.7	60	63.9	*1.2*
British Columbia	75	63.8	94	61.8	*-2.0*
Ontario	251	62.3	273	61.3	*-1.0*
Manitoba	27	62.1	28	61.3	*-0.8*
Prince Edward Island	3	63.3	3	60.8	*-2.5*
Nova Scotia	20	60.7	18	60.4	*-0.3*
New Brunswick	15	60.2	19	60.2	*0.0*
Quebec	133	60.6	177	59.3	*-1.3*
Newfoundland and Labrador	9	60.4	10	58.6	*-1.8*

Source: Labour Force Survey

Different factors influenced provincial findings. For example, in Saskatchewan, the prevalence of agriculture may help to explain the high and relatively stable retirement age. Further east, Quebec's lowering of the minimum age of entitlement for the Quebec Pension Plan from 65 to 60 in 1984—three years before a similar move by the Canada Pension Plan—may have accelerated the trend to younger retirement in the province. For British Columbia, the picture is complicated by province designation, which is based on where the person was living when surveyed (that is, after retirement). Migration to British Columbia after retirement, as well as migration patterns in general, may play a role (Monette, 1996).

Perspectives

Notes

1 The available data series starts in 1991. Because it is necessary to look back one year to determine who retired, the most recent data available at writing were for people who retired in 2001.

2 The data relate to the retiree's last job. At least some of those with less than 20 years' tenure may have held a long-term job sometime earlier. If those jobs could also be measured, differences in retirement age between people with short and long job tenures would probably increase.

References

Gower, D. "Men retiring early: How are they doing?" *Perspectives on Labour and Income* (Statistics Canada, Catalogue no. 75-001-XPE) 7, no. 4 (Winter 1995): 30-34.

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Appendix—Retirement patterns by industry*

	1992 to 1996		1997 to 2001	
	'000	Median age	'000	Median age
All workers (aged 50+)	**605**	**62.0**	**706**	**60.8**
Goods-producing	**165**	**63.0**	**190**	**62.2**
Primary	36	64.9	39	65.2
Agriculture	22	66.7	25	68.6
Other	14	62.8	14	61.2
Utilities	10	59.2	14	56.6
Construction	32	64.7	35	63.7
Manufacturing	88	61.9	103	61.4
Service-producing	**438**	**61.7**	**512**	**60.3**
Trade	66	64.3	69	62.6
Transportation and warehousing	36	61.0	42	60.8
Finance, insurance, real estate and leasing	37	62.3	41	60.0
Professional, scientific and technical	17	64.8	27	64.6
Management, administrative and other	13	65.4	17	64.6
Educational services	71	60.3	105	57.1
Health care and social assistance	56	61.4	82	60.3
Information, culture and recreation	28	61.0	18	59.9
Accommodation and food services	17	64.7	18	64.0
Other services	22	64.8	30	63.6
Public administration	75	59.3	62	58.2
Employees (aged 50+)	**513**	**61.3**	**578**	**60.1**
Goods-producing	**127**	**61.7**	**147**	**61.2**
Primary	13	62.1	15	61.8
Agriculture	3	64.0	5	64.8
Other	10	61.9	11	60.1
Utilities	10	59.2	14	56.6
Construction	22	63.9	21	62.7
Manufacturing	83	61.6	97	61.3
Service-producing	**386**	**61.2**	**431**	**59.9**
Trade	51	64.2	53	62.3
Transportation and warehousing	33	60.4	37	60.6
Finance, insurance,real estate and leasing	32	62.3	32	59.4
Professional, scientific and technical	10	64.7	11	62.3
Management, administrative and other	9	65.6	10	64.6
Educational services	70	60.2	100	56.6
Health care and social assistance	52	61.3	75	60.2
Information, culture and recreation	26	60.8	17	59.3
Accommodation and food services	13	64.7	14	63.1
Other services	15	64.8	20	63.3
Public administration	75	59.3	62	58.2
Self-employed (aged 50+)	**87**	**65.0**	**123**	**65.0**
Goods-producing	**35**	**65.1**	**41**	**65.9**
Primary	21	66.4	23	69.2
Agriculture	17	67.2	20	69.6
Other	4	64.6	3	66.6
Construction	10	64.9	13	64.7
Manufacturing	5	64.8	5	62.7
Service-producing	**52**	**64.9**	**81**	**64.6**
Trade	14	65.1	17	64.3
Transportation and warehousing	4	64.9	6	64.6
Finance, insurance, real estate and leasing	5	63.7	9	65.6
Professional, scientific and technical	7	66.1	16	65.1
Management, administrative and other	4	64.7	7	64.6
Health care and social assistance	4	64.3	7	66.0
Accommodation and food services	4	64.7	4	65.9
Other services	7	65.1	10	64.6

Source: Labour Force Survey

Note: These categories describe the last job held prior to retirement. They may or may not reflect a person's lifetime work history.

* *Excludes some groups with too small a sample to provide a reliable estimate, so the groups will not add to total. Likewise, industries in the self-employed category exclude unpaid family workers.*